

Tourism and hospitality playing a key role in the growth of African economies

 By [Josephine Wawira](#)

29 Jun 2017

Ethiopia, Tanzania, and Djibouti are the African countries among the 10 fastest growing economies globally in 2017. This is according to a data shot by Infinite Potentials Consulting (IPC), a professional services consulting firm which further states that the three states are expected to experience the highest Gross Domestic Product (GDP) growth in 2017, with a growth of 7.7%, 7.1%, and 7.0% respectively against a projected global average GDP growth of 2.7%.



©Galya Andrushko via [123RF](#) - Hiker in Simien Mountains, Ethiopia

The growth acceleration in Djibouti has been driven mainly by port-related activities and transport, such as transit trade with Ethiopia which has attracted large public and foreign investments. On the other hand, Ethiopia and Tanzania have been significantly supported by the recovery of agricultural production, their rising service sectors, and increased infrastructure investments.

In a [Hospitality Report for Ethiopia](#) launched earlier this year by Jumia Travel, travel and tourism directly contributed 4.1% to the country's GDP in 2015 with ETB 51.3b (\$2.26b). It is forecast to rise by 5% by 2026 to ETB 85b (\$3.7b). This largely reflects the economic activity generated by industries such as hotels, travel agents, airlines and other passenger transportation services, restaurant, and leisure industries the report states.

Making intended growth a reality

"The Ethiopian hospitality industry has grown quickly over the last few years, and there remains a lot of untapped potential. Exploiting these opportunities with the help of new technologies, and accommodation service providers will support the country's initiative to become one of Africa's top five destinations in the coming four years. The challenges are abundant but the future is inspiring, and we look forward to bringing the intended growth and progress into reality," said Paul Midy, CEO of Jumia Travel, in the report.

Towards achieving inclusive growth, Africa has made progress in creating jobs since 2000. Between 2000 and 2010, Africa added 37m stable jobs (including wage and salary employees and business owners). Out of this, the tourism and hospitality industry employs one out of 20 Africans, who indirectly work in the sector.

According to McKinsey & Company, if Africa accelerated job creation by implementing a strategy to accelerate the pace of job creation, the continent could add as many as 72m new stable jobs between 2010 and 2020 across all sectors, raising the wage-earning share of the labor force to 36%.

ABOUT JOSEPHINE WAWIRA

Josephine Wawira is a consultant in communication and public relations with over six years of progressive writing and broadcast experience. She is currently a writer for Africa's online hotel booking portal, Junia Travel, focusing in the areas of travel, tourism, and hospitality as it relates to Africa.

- Africa's travel and tourism top 2018 highlights - 14 Jan 2019
- Growth of African tourism as industry remains resilient - 31 Dec 2018
- Africa receives 5% of international arrivals - 20 Dec 2018
- Google Street View to heavily impact Kenya's tourism sector - 22 Oct 2018
- Use of innovative technology in designing diverse tourism products - 12 Oct 2018

[View my profile and articles...](#)

For more, visit: <https://www.bizcommunity.com>